

Bath & North East Somerset Council

MEETING:	AVON PENSION FUND COMMITTEE
MEETING DATE:	27 June 2025
TITLE:	Risk Management Process & Risk Register
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 – Risk Register Appendix 2 – Risk Framework & High Level Summary Appendix 3 – Risk Management Policy	

1. THE ISSUE

- 1.1. The purpose of this report is to update the Committee with the quarterly review of the risk register.

2. RECOMMENDATION

- 2.1. That the Committee notes the report.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct implications related to the Committee in connection with this report.

4. REPORT – RISK MANAGEMENT PROCESS & RISK REGISTER

- 4.1.** The Fund has in place a documented risk management policy setting out the Fund's approach to risk, process for review and update of the risk register. It also sets out the roles and responsibilities of all those involved in the management of risk within the Fund including the role of the Pension Board and Pension Committee.
- 4.2.** The policy has been reviewed and although no changes have been made it has been updated to reflect our current branding and accessibility template.
- 4.3.** The risk framework introduced to assist risk owners to assess the risk and score is attached as appendix 2.
- 4.4.** A high level matrix showing the distribution of risks by score is attached as appendix 2.
- 4.5.** The complete risk register is attached as appendix 1.

- The risk register identifies risks which could have material impact on the APF in terms of service, value, reputation, or compliance. It also sets out mitigating actions.
- The risk register is reviewed quarterly by APF management and reported to the Pension Committee and Pension Board every quarter.
- All risks are also reviewed quarterly or when there has been a material change to the risk.
- Risks fall into the following categories, owned by the relevant member of the APF management team:

Category of Risk	Risk Owner
Administration	Pensions Manager
Regulatory	Technical & Compliance Advisor
Governance	Governance & Risk Advisor
Employers (Funding)	Funding & Valuation Manager
Employers (Data)	Employer Services Manager
Investments	Investments Manager
Finance	Finance & Systems Manager

5. QUARTERLY REVIEW OF RISK REGISTER

- 5.1. The quarterly review of the risk register has taken place and a couple of changes have been made to scores for this quarter. Some amendments have also been made to current impacting factors.
- 5.2. Risk NR19 concerning the structural reform to LGPS / Pooling has been amended to 'Move to new asset pool'. The score has been updated to reflect the likelihood increasing from likely to almost certain.
- 5.3. The outcome for the Fund is currently uncertain as negotiations continue. The preference is to move as a pool/sub group of pool to minimise costs and cause less disruption to BAU /Brunel. As a single Fund there will be more risk transition, more costly and less leverage.
- 5.4. The Government have set out a challenging timeline with a decision required by September 2025. This will cause significant increase in workload for officers involved in the project
- 5.5. Risk NR07 – Employer Responsibilities. Following the successful roll out of IConnect to all employers and more employer training taking place the likelihood has been reduced from likely to possible.
- 5.6. Our top 3 risks have been updated to reflect the change of score to the pooling risk:
 - NR06 – the loss of IT including cyber attack and loss of power. The fund is planning to move its admin system to a Heywood hosted solution and appropriate data protection and cyber assessments are being carried out.
 - NR01 – Poor service levels below agreed standards. The current factors impacting this risk are set out in the Pension Fund Administration report. As part of the Business Continuity Plan review a service level plan and crisis communication plan have also been agreed.

- NR19 – Move to new asset pool. Work and discussions are ongoing with pool and advisors. See full report in item 10 – Update on Pooling.

6. EQUALITIES

- 6.1. A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7. CLIMATE CHANGE

- 7.1. The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Pensions Committee.

8. OTHER OPTIONS CONSIDERED

- 8.1. None

9. CONSULTATION

- 9.1. The Director of Financial Services, Assurance & Pensions has had the opportunity to input to this report and has cleared it for publication.

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Background papers	None
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